

# APARTMENTS WE LIVE HERE

## Apartments: A Vital Housing Resource

The apartment industry is a competitive and **robust \$1.1 trillion industry that helps today's 37 million apartment residents live in a home that's right for them.** We help build vibrant communities by offering housing choice, supporting local small businesses, creating millions of jobs and contributing to the fabric of communities across the country. And we are increasingly important given the historic growth in renter households in recent years. That's good news. **Meeting that demand will create millions of jobs.** To get there, **we need new public policies that support the multifamily housing industry** and that don't make it harder for renters and their families to find the housing that makes sense for them and their community.

### **Booming Rental Demand**

- Over one-third of Americans rent their housing and 42% of those live in apartments.
- Growth in renter households is at a historic high. In the five years ending 2013, the number of renters was up by 4.2 million; homeowners were down by 900,000. Going back 10 years, there were 8 million new renter households and just 500,000 new owner households. Married couples with children are now only 20% of households. Single-person households (28%), single parent households (18%) and roommates (7%) collectively account for 53% of all households and these households are more likely to rent.
- Among the fastest growing population segments in the next decade are those most likely to seek options other than single-family houses: young adults and empty nesters.
- Eighty million Millennials are already entering the housing market, primarily as renters. They will make up 24 million new households from 2015-2025, and their preferences will reshape housing demand.
- Many of their parents, the 77 million Baby Boomers, are beginning to downsize, and some will choose the convenience of renting. From 2005-2013, households aged 55-64 accounted for a quarter of the growth in renters, nearly as many as households under age 35.

### **Demand Outstrips New Supply**

- The surge in apartment demand has outstripped new supply. We need to be building an estimated 300,000-400,000 new apartments a year to meet expected demand. Even with apartment construction on the rise, in 2014 only 254,000 were built.
- Apartments are lost every year to destruction, demolition and deterioration (estimates are as high as 125,000), so talk of overbuilding in the sector is premature.

### **Growing the Economy and Creating Jobs**

- In 2011, the nation's 19.1 million apartment homes and the then 35 million residents who lived in them contributed \$1.1 trillion annually to the economy. They supported 12.4 million jobs.
- To put this number in perspective, that means apartments and the people who live in them contributed, on average, more than \$3 billion a day to the economy.
- In 2011, new apartment construction produced \$14.8 billion in spending, supported 323,781 jobs and had a total economic contribution of \$42.5 billion.
- The same year, the operation of the nation's existing apartments accounted for \$67.9 billion, 1.7 million jobs and a total economic contribution of \$182.6 billion.
- Apartment resident spending in 2011 totaled \$421.5 billion, supporting 10.5 million jobs and a total economic contribution of \$885.2 billion.
- The collective economic impact of apartments and their residents continues to grow as construction begins catching up with demand. This will only continue as greater economic stability and stronger job creation leads to stronger household formations.

### **A Strong Track Record**

- The performance of the apartment industry stands in stark contrast to the single-family sector. It did not overbuild in the housing boom and did not contribute to the housing meltdown.
- Importantly, default rates for the GSEs' multifamily loans remain at 0.1 percent.

**Find out how apartments are contributing to your state or metro area economy at [www.WeAreApartments.org](http://www.WeAreApartments.org) where you can also use ACE—the Apartment Community Estimator—to see the economic impact of a given number of apartments in your state.**

